



SOCIAL SECURITY

The Commissioner

May 25, 2005

Dear _____:

With the enactment of the *Medicare Prescription Drug, Improvement, and Modernization Act of 2003*, the Social Security Administration was given significant responsibilities for identifying and making eligibility determinations for millions of low-income seniors and individuals with disabilities under the Medicare prescription drug subsidy program. I am writing to give you the status of Social Security's implementation of the program and ask for your continued support of our efforts to ensure that we reach all individuals who may be eligible for the low-income subsidies.

Although the new prescription drug benefit under Part D of Medicare does not actually begin until January 2006, eligibility determinations for the low-income subsidy will be made beginning July 1, 2005. Social Security will begin mailing applications to approximately 19 million potentially eligible beneficiaries later this month. We are starting 6 months before the drug benefit program begins to make sure that we sign-up as many eligible individuals as possible. Further, in order to ensure that everyone who wishes to apply for the low-income subsidy has the opportunity to do so, Social Security has developed an extensive outreach plan. We are working with State agencies, community groups and other third party organizations to reach all of those individuals who are potentially eligible for the low-income subsidy.

As required by Congress, we developed a simplified application for the low-income subsidy. It was thoroughly tested and reviewed as we strived to create the most straightforward application form possible for a Federal means-tested program. The application form was designed with extensive input, involving multiple rounds of public comments, recommendations from experts who work with low-income individuals, and focus-group testing with Medicare beneficiaries. The form involves seven large-type pages, including one instruction page, one signature page and one page for notices required by law. Thus, there are four pages for the beneficiary to fill out with a total of 16 simple questions, and most of the individuals applying will only need to complete three of the four pages. To make the application process even simpler, no attachments, such as proof of income and assets are required. Social Security will use computer

matching of data to verify income and certain assets. A copy of the application can be found at

http://www.socialsecurity.gov/prescriptionhelp/Medicare%20App%20Form_1020_INST2.pdf

We are fully prepared to begin processing of low-income subsidy applications immediately because of the dedication of Social Security employees and the funding provided by Congress for fiscal years (FY) 2004 and 2005 for our new responsibilities related to Medicare prescription drug legislation. Of course, our responsibilities associated with the new Medicare legislation do not end after 2005. To address ongoing needs, the President's FY 2006 budget request of \$9.403 billion for Social Security's administrative costs includes \$320 million for our Medicare Prescription Drug program responsibilities in FY 2006. I am asking you to support the President's request. If these resources are not provided, low-income seniors and individuals with disabilities may face delays in receiving the subsidies they will need to participate in the prescription drug benefit program.

We stand ready to assist your office with training and educational materials regarding the Medicare prescription drug subsidy. If we have not already done so, staff from our local offices will be contacting your district offices soon to provide information. Online resources, including a fact sheet (a copy of which is enclosed with this letter) and a breakout of the number of notices mailed by State, will also be available through our Congressional Affairs Medicare webpage, www.ssa.gov/legislation/medicare.html. We would also like to offer you and your staff a briefing on Social Security's prescription drug subsidy activities.

If you have any questions or wish to discuss Social Security's important role in the prescription drug legislation, please contact me. Staff questions may be directed to Mr. Robert M. Wilson, Deputy Commissioner for Legislation and Congressional Affairs, at (202) 358-6030. If you wish a briefing, staff should contact Ms. Jenna Lewis at (202) 358-6028.

Sincerely,

A handwritten signature in black ink that reads "Jo Anne B. Barnhart". The signature is written in a cursive, flowing style.

Jo Anne B. Barnhart

Enclosure